Workstream:

Hiring Practices

TRANSFORMATION MANAGEMENT TEAM
HIRING PRACTICES WORK GROUP

Team Membership & Contact Information

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Workstream: Hiring Practices	
Strategic Focus: Streamline hiring practices to enable NCDOT to hire/promote the best talent more efficiently.	**Scope:** Review current hiring practices to determine inefficiencies and areas of improvement. A comprehensive review of the following will be done to develop recommendations for enhancing these processes: • Application process • Alternatives to current posting process • Job postings • Qualifications review practices & policies • Hiring practices & policies • Interview practices & policies
Current Practices Current hiring practices in place have minimal strategic focus or emphasis on hiring the best talent in a timely, efficient manner.	**Gap** Current practices and policies result in lengthy turnaround times. This results is NCDOT not being able to hire the best talent in many situations. Managers are not given authority to make personnel decisions. Personnel practices and policies are not communicated throughout the organization.

2008 Key Priorities:
Improvements and refinements to practices and policies in the following areas:
- Job postings
- Qualification review
- Interviews
- Personnel selection and approvals

Updated 1/17/08

STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY
GOVERNOR

1501 MAIL SERVICE CENTER, RALEIGH, N.C. 27699-1501

LYNDO TIPPETT
SECRETARY

May 27, 2008

MEMORANDUM TO: NCDOT Management

FROM: Roberto Canales, P.E.
Transformation Management Team Project Manager

Angela Faulk
Director of Human Resources

SUBJECT: Hiring Practices

The Department's Transformation Management Team (TMT) is continuing to identify process improvements to enhance the delivery of our projects, programs, services and initiatives. Over the last few months, the TMT's Talent Management Team has been reviewing NCDOT's current hiring practices to identify process changes that will help NCDOT hire talent in a more efficient manner with emphasis on reducing the turnaround time of personnel actions from posting to final approval.

As recommended by the TMT and approved by the TMT Leadership Team and Director of Human Resources, the following process changes will be implemented effective June 1, 2008:

a.   **Use of the PO-600 (Interview Record) will be eliminated.** The current hiring process requires the interviewer to complete a PO-600 for each applicant interviewed to record the knowledge, skills, abilities and work experience related to the position. This practice will no longer be required.

b.   **Letters of justification will be eliminated.** The current hiring process requires letters of justification for multiple things including selecting a qualified applicant over most-qualified applicant; non promotional priority over promotional priority; non veteran's preference over veteran's preference; and non-selection of an applicant with RIF priority. These justifications have usually focused on why individuals were not selected, rather than emphasizing why a particular candidate was selected. These justification letters are often repetitive with information included on the PO-600 and EEO notification form, and result in multiple, and lengthy letters. Beginning June 1, 2008, the hiring manager will complete the new "Candidate Selection Form" for each hiring package. Attached is a copy of the form.

To ensure NCDOT continues to meet the requirements outlined in the Merit Based Hiring Policy and EEO procedures, it is very important the hiring manager provide a thorough, detailed explanation of the selection on the Candidate Selection Form. The explanation should focus on why the applicant was selected (i.e., knowledge, skills, abilities and work experience directly related to the position requirements).

When needed, salary justification may be included on this form. For your information, attached is an example of a completed Candidate Selection Form.

c. **The EEO notification form will be revised to delete Sections B & C. The EEO notification form will only be used to transmit information to the hiring manager regarding under-utilization.** The explanation for the selection decision, which is currently being put on the EEO notification form, will now be captured in the Candidate Selection Form.

d. **The Qualification Evaluation Report (QER) will be revised to print a column that will indicate which applicants were interviewed or declined an interview**. This will enable the approving manager(s) to review the interview selection and ensure an adequate pool of applicants was considered for the position. Until the QER is revised, the hiring manager must highlight the names on the QER of the applicants that were interviewed for the position and indicate "declined" beside the names of applicants who were contacted for an interview but declined or failed to show up for the interview.

e. **Managers must retain any interview questions, interview notes, and tests given the applicants with the business unit's file copy of the hiring package that is maintained in the business unit.**

These process changes should help reduce the amount of time it currently takes to process a personnel package. You will be hearing of additional process improvements in the near future.

I am asking that you ensure this information is distributed to your business unit managers and supervisors. If you have any questions or concerns regarding this memorandum or these procedures, please contact Angie Fanelli in the Human Resources Office at 733-2984.

Attachments

cc: Lyndo Tippett
        Dan DeVane
        Angie Fanelli
        Philip Bickham

NCDOT Management Distribution:

Deputy Secretaries	Branch Managers
Commissioner of DMV	Director of Purchasing
State Highway Administrator	Director of Accounting Operations
Chief Financial Officer	Director of Communications
Chief Information Officer	Director of Safety & Loss Control
Chief Engineer - Operations	Director of Ferry Division
Director of Strategic Planning	Director of Rail Division
Director of Preconstruction	Director of Aviation Division
Director of Asset Management	Director of Public Transportation Division
Director of Field Operations	Director of DMV License & Theft Division
Division Engineers	Director of DMV Operations
Manager of Program Development	Director of DMV Driver & Vehicle Services

Hiring Practices Work Group
Draft Recommendations with Explanations

1.   **Update, revise and distribute the "Posting, Waiver and Filling of Vacant Positions" Policy to include procedures for:**

   a.   **Giving the hiring manager the authority to determine the appropriate posting period and to determine whether to post positions internally or externally.**

   b.   **Accepting faxed applications (must indicate preference on the posting);**
            Accepting email applications (must indicate preference on the posting);
            Accepting applications without signatures (must indicate preference on the posting);

   c.   **Utilizing alternate posting methods such as newspapers, publications, professional associations, web sites, etc. HR Recruitment Office oversees use of alternate posting methods. Guidelines for utilizing alternate methods of advertising positions needs to be communicated to business units.**

   Explanation:

   (a)   GS 126; 25 NCAC 0111.0631; State Personnel Manual only requires the posting period be no less than 5 days.
            Current DOT guidelines:
            5 days min. – internal DOT posting
            7 days min. – internal state government
            10 days min. – external posting

            OSP policy only states that the position must be posted for a minimum of 5 days. This recommendation will give the manager the authority to determine whether it is appropriate to post internally and the length of posting. The manager should consider urgency to fill the position, past posting history and any other special needs related to the vacancy.

   (b)   The Posting, Waive and Filling of Vacant Positions policy does not sufficiently address this. If faxed or emailed applications will not be accepted it should be stated clearly on the posting. As a practice, DOT accepts applications without signatures. However DMV does not because so many of their positions require certifications/licenses. The signature indicates they are saying they do possess the required certification. Also, there is a block to check noting if you have a conviction – this is critical to DMV.

<u>DMV or any other unit that determines they will not accept applications without signatures must indicate this on the posting.</u>

(c)   Utilizing alternate posting methods is acceptable by OSP policy. NCDOT Recruitment office is responsible for providing assistance to managers who determine they need to post by alternate method. This is not stated in the Posting, Waiver and Filling of Vacant Positions policy, but should be. Business Units don't widely know this is available to them. This responsibility needs to stay with the Recruitment Office, but it needs to be communicated to the business units that this is available to them.

2.   **Include hiring range within the body of the posting (the actual minimum to maximum that can be offered) for all classifications.**

   <u>Explanation</u>: 25 NCAC 01H.0631 – requires that the salary grade and salary range; banded salary range or recruitment range be included on the posting.

   Including the hiring range or labor market rates would let the applicant know if there is a maximum salary that will be offered – **especially useful for applicants outside state government** – would potentially limit applicant pool if salary to be offered is clearly stated., Will have to develop a procedure for consistency statewide. Maximum pay range could be established utilizing equity within the unit and the budgeted salary.

3.   **Once vacancy postings begin being entered through BEACON, include "position" (working title) and "job" (classification) on vacancy postings. To ensure consistency in the use of "position" titles on job postings, it is further recommended we develop a list of "position" titles (to be approved by Human   Resources). It is recommended Operations, DMV, Preconstruction ,etc. be asked to establish "position" titles for their respective areas.**

   <u>Explanation</u>: With implementation of BEACON, terminology has changed as to how we refer to job classification titles and working titles. What we've known in the past as "working title" is now referred to as "position". What we've known as "job classification" is now referred to as "job". BEACON only has one field to enter either the "position" or "job". We recommend standard practice of using one or the other in that field, and then include the other in the posting text. Example: TE I (Asst. Resident, Asst. District Engr., etc.). Information Processing Technician – fits a lot of different jobs (Permit Officer, Call Center Operator, data entry in Resident's office, etc.) "25 NCAC" requires the job classification or banded class title be included on each job posting. Adding the "position" (formerly working title) provides more information to the potential applicant and would eliminate potential applicants not really interested in the position. People apply for positions with job classification titles that don't represent what the job really is.

4. **Build a "job postings warehouse" with posting models which may be used by managers for "cutting and pasting" to create new job postings. As a pilot, posting models for Transportation Supervisor positions can be prepared using information recently gathered in the Transportation Supervisor Career Banding program.**

    Explanation: This would be a great resource for hiring managers to go to so they don't have to "reinvent the wheel" when posting a position. It would also include more explicit descriptions of job duties they are looking for (as discussed in recommendation #5). As a beginning point, we propose gleaning information being gathered in the TS career banding effort which is underway now to develop some "model" job postings for this class that could be put on the HR web site.

5. **Develop a training course for writing effective job postings with emphasis on writing the "Knowledge, Skills & Abilities" (KSA's). Include instruction on using preferences and specific job requirements such as certifications, licenses, etc in the KSA's. Require each Division/Unit personnel technician to attend this training and serve as the resource for reviewing job postings for the division/unit.**

    Explanation: Many job postings result in 50 – 100 applications. Many of the applicants are designated "qualified" because they meet the minimum training and experience requirements. Applicants are designated "most qualified" if they have experience in just one area listed in the posting. For example, an office assistant job posting may indicate the position includes greeting customers. However, the position may spend most of its time using SAP to process invoices and do time entry. Someone who has any customer service experience (no matter how limited or in what environment) becomes "most qualified".More explicit job postings are needed. More emphasis in the posting relating to the more significant ability to use SAP should result in applicants who are interested in doing that kind of work.

    In IMS space for describing KSA's was limited; however, BEACON will allow unlimited text in the description of duties. In addition text doesn't have to be sentence form, can be bulleted items. If the description of the job is more explicit and provided a better understanding of the actual work involved, it would most likely eliminate some from applying, thereby minimizing the applicant pool.

    Many of the evaluation errors occurring today are a result of inadequate information in the KSA's. It is important that we are specific about what the job requirements are for each posting. Required certifications or licenses should be included in the posting. In addition, including preferences would be a tool that would weed out some from hiring and get the right folks to apply. By OSP policy, preferences are allowed but they do not make someone more qualified than someone else. More explicit postings and the use of preferences would help to

minimize the pool of applicants to those who are truly interested in the specific job functions.

The more time you spend getting the posting right, the less time you'll spend dealing with applicants that really don't meet your needs. The more explanation we can provide in the job posting will be the qualifier between "qualified" and "most qualified".

6. **Develop a more formalized method of qualifying applicants.**

   Explanation: HR employees have an "accumulation of notes/guidlines", some are old and based on conversations or meetings held with former Administrators, Chief Engineers or Personnel Directors. Currently HR is the only holder of this information. Examples are notes are typically instructions they've accumulated over the years on what experience or degrees may count as qualifying experience or education. This creates confusion in many ways – with the field & units being unaware of internal rules. Once formalized, the information should be distributed throughout the organization and/or published in the "Managers Corner" (referenced in later recommendation).

7. **Develop one form for indicating applicant selection and justification for selection. This will allow us to:**

   a. **Eliminate the use of PO 600's. Instruct hiring managers to keep interview notes, tests, etc. with the official package that is sent to Human Resources.**

   b. **Eliminate additional justification letters for: non-selection of most qualified; promotional priority, veterans preference, RIF applicants, and selection applicants of applicants from an under-represented category (EEO form), and salary justification.**

   Explanation: Current MBH policy states the hiring manager is responsible for documenting the selection process and justifying the hiring decision.   Although we don't know when it was implemented, the PO 600 was implemented by NCDOT, it is not required by DOT or OSP policy. Current practice is that a PO 600 is completed for all applicants interviewed and for those contacted but declined the interview or didn't show for the interview.

   Current practice requires a separate letter of justification for hiring qualified over most qualified, non-promotional priority over promotional priority, non selection of Veterans Preference and RIF applicants as well as salary justification in many cases. Current practice also requires the hiring manager to complete the EEO notification form providing justification for selecting the applicant if he/she is not in an under-represented category. We believe all of this can be accomplished in one document and have developed a draft document for consideration.

It should be communicated to all that hiring managers should keep interview notes, tests given, etc. with the original hiring package. Some are doing this now, but it is not done consistently. If an applicant files a grievance or law suit due to non-selection for a position, the personnel package may be subpoenaed. Any documentation supporting the selection (notes, tests, etc.) would be helpful in defending the hiring decision.

Eliminating the PO 600 will require revising the QER program to allow the person preparing the final package to indicate who was interviewed or contacted for interview or didn't show for the interview. We currently depend on the interview sheets to give that information.

Note: If management feels additional justification/information is required, then they have the ability to add to or further require information within their section.

8.   **Develop a list of standard interview questions to include questions an interviewer is required to ask; develop a list of questions that should not be asked, and develop lists of optional questions to asked for specific job classifications.**

Explanation: This would basically be a "tool" in a manager's toolbox. It would help promote consistency in interview practices across the state. It would ensure required information was discussed during and interview (such as ADA, etc.). HR Training and Development could be asked to develop these tools – they teach the interviewing skills class and have materials that talk about some of the questions that can be asked or should be asked during an interview

OSP will be introducing a new "Performance Solutions" web site May 1 (approx. date) developed through their HR innovations initiative. This web site will include some tools agencies can use as guidance, including interview tools. Once this is available to state agencies, we could potentially link to their site.

9.   **Establish on-line training on NCDOT's Merit Based Hiring Policy and include training on the Merit Based Hiring Policy training in the orientation process.**

Explanation: MBH training is mandatory for supervisors. Having this training on-line would be more convenient to those who are required to take it. It could be taken immediately when someone is promoted to a supervisory position without having to wait for an available training class. Employees would receive credit for taking the on-line training just as if they attended the class. It would also be available for supervisors to re-take the training when they feel the need for review.

Including the MBH training in orientation, would give new employees knowledge upfront of DOT policies regarding promotions, completing applications, qualification review, etc. (Note: the employee orientation process may be too far along to do this right now, but could be noted for future updates of the orientation materials.)

10. **Establish metrics for turn-around of personnel actions from posting to the date approval is received.**

   Explanation: Current turn-around time from posting to approval can take up to 100 work days, with the average being around 70-75 days. Process changes recommended in this report should significantly improve turn around time. The mission is to get the best talent on-board quickly so we do not lose them to other opportunities. However, many individuals touch personnel actions and they can be delayed due to other priorities, travel, meetings, vacation, and sickness, Therefore a shared metric could be assigned to those who touch the package with a common goal of improving the turn around time. We did not discuss what that goal should be, but think it should at least be cut in half. This recommendation will only work if there is an easy way to acquire the period of time from posting to approval.

11. **Create a "Manager's Corner" on the Human Resources web site to hold procedures, forms, and tools for easy access by supervisors, particularly new managers/supervisors. (This would include several items mentioned in these recommendations such as the "job postings warehouse", standard interview questions, applicant selection/justification form, etc.)**

   (Note: Human Resources is undertaking an initiative to review their policies and procedures to update and revise as necessary and will communicate revisions through Distribution A memos or through direct contact with the Division Personnel Technicians and Unit Administrative Personnel.)

   Explanation: The manager's corner would be a great resource for hiring managers to use to access information relating to hiring practices and other personnel related policies such as disciplinary action policy, performance management forms and procedures, etc., they use every day in managing their personnel. Could provide links to OSP guidelines as well.

12. **It is recommended senior management endorse and advocate changes to GS 126-4 as proposed by Fox-Lawson & Associates in their January 2008 report to the General Assembly, to allow incentive pay programs. This would enable the state to use lapsed salary funds to offer incentives such as recruitment bonuses, relocation bonuses, or retention bonuses.**

Explanation: G.S. 126-4 prohibits incentive pay programs such as recruitment/sign-on bonuses, referral and relocation bonuses. A memorandum sent to Agency and University HR Directors from the State Personnel Director in December, 2007 announced the removal and reevaluation of geographic and site pay differentials, while seeking agency input and market data. DOT should endorse and advocate for implementation of GS 126 and budget change recommendations put forth by Fox Lawson & Associates in its January 2008 Report on the State of Personnel Management and Career Banding in North Carolina, developed for the Government Performance Audit Committee of the General Assembly. Fox Lawson Associates change recommendations include authorizing the SPC to approve any human resource program necessary to remain competitive, including incentive programs and to allow for the use of lapsed salary funds for recruitment bonuses, moving expenses, or retention incentives as necessary to attract and retain high performing personnel or high demand skills. DOT should provide any market data or input regarding geographic differentials to OSP Compensation Group.

13. **Require no more than 3 levels of approval for personnel packages (this is current practice implemented 10/07). Our recommendation is to establish the 3 approval levels as: (1) the hiring manager; (2) the next level supervisor and (3) the Human Resources Section. *(need to further define hiring manager)***

    Explanation: Dist. A went out 10/07 from Roberto advising that personnel actions for permanent and temporary positions would require no more than 3 management approvals, including final approval by HR. Senior managers were to determine the levels of approval within their areas. Was done to provide managers more authority and to reduce turnaround time for packages due to multi-level approvals.

    This recommendation establishes the approval levels. For us to expedite the process we have to give up some review, pushing down authority with accountability.

    Note: Section head can determine who the "hiring manager" is. For example, for a TW it could be the TS or the CME. That 1st person who makes the decision to select the applicant. (has the most to lose, and has to defend the decision, could be the person who signs the PM)

14. **Delegate final HR approval authority to the current DMV Personnel Officer. With the only exception being DMV would not handle classification actions for those positions at the Director level and above or unique/non-comparable positions. It is further recommended that this position report directly to the Director of Human Resources.**

Explanation: This position at DMV currently reports to the Director of Operations and does not have approval authority, just review. Delegates approval from central HR directly to the Personnel Officer. This would be an expected function of a position at this level (PG 74).

15.   **Three options for consideration:**

a.   **Delegate final HR approval authority for hiring specific entry level and some lower level positions to the 14 Division Engineers, DMV Commissioner, and the Ferry Division Director. This authority includes qualification review, hiring authority, salary administration and classification. Establish levels of approval as (1) hiring manager; (2) next level supervisor; (3) Division Engineer/DMV Commissioner/Ferry Director.**

Explanation: Divisions, DMV & Ferry Division would have hiring authority for specific entry or lower level positions. They would perform all steps of the hiring process from posting to approval of these positions. No more than 3 levels of approval would be required with the Division Engineer/Ferry Director having final approval. In DMV the Personnel Officer would be final approval authority.

Central HR would provide oversight and auditing of Division actions, rather than processing function.

b.   **Give authority for filling positions within a highway division to the Division Engineer, with the exception of actions affecting the Assistant Division Engineer, Deputy Division Engineer. (Note: A review of how this would affect the role of the Division Personnel Technician and other Division positions involved in personnel administration would be necessary if this option is selected.)**

Explanation: GS 136-14.2 states that except for general departmental policy applicable to all of the state, the Division Engineer shall have authority over all division personnel matters and over Department employees in his division making personnel decisions. This GS was passed in 1975.

c.   **Decentralize approval of personnel actions to the 14 Divisions and Ferry Division by placing a Personnel Officer position in each Division. These Personnel Officers would have final approval authority for all personnel actions, salary decisions, compensation issues, classifications, grievances, and policy interpretation in the Division. These positions would report directly to the Director of Human Resources.**

Explanation: Each of the 14 divisions is responsible for 600 – 700 positions. The Ferry Division has XXX positions and DMV has XXX positions. Having an HR person with approval authority on site would make a huge difference in the turn around time of all personnel actions. The group did consider regional HR positions (1 HR professional for two divisions, but it is felt that with everything these positions will be handling and touching, the volume of positions, and the variety of classifications, sharing an HR position between divisions will significantly hinder the ultimate goal of turning around personnel actions quickly and efficiently.

The group feels that any one of these 3 are not the total answer to everything, each of them do have pros and cons, but the goal is to streamline our approvals, reduce turnaround time, and onboard the best talent quicker and more efficiently.

Pros for decentralization:
Consistently trained person in the division
More consistent and better communication of HR policies/procedures across the state
Human resource expertise would be readily available
Expedite approval process by eliminating central HR processing and approval
Expedites approval for central based units due to decreased HR workload
Work needs of the unit will be met sooner/quicker due to quicker turnaround
Benefits the employee – onboard quicker – get paid quicker
Less reposting would be necessary (people turn jobs down because process takes so long)
Increase HR headcount - NCDOT currently has low ratio of HR resources
    compared to total number of employees served
Central HR would provide oversight, and auditing rather than processing
    function.

16.   **If Options 15 A, B, or C are chosen, there would need to be a review of how the recommendation would affect the Division Personnel Technician and the need for additional personnel support in the Division. Implementation of any one of these recommendations would decrease the workload for central HR technicians which significantly improve the customer service to the central units (resulting in much quicker turn-around on personnel actions).**

EXAMPLE

NCDOT HUMAN RESOURCES
CANDIDATE SELECTION FORM

Date:	June 1, 2008
Division/Unit:	Materials & Tests
8 digit position number:	12345678
Job (Classification):	Transportation Technician II
Position (Working Title):	Same
Selected candidate:	John Smith

Selection is designated by HR as:	☒	Most Qualified	☐	Qualified		
Selection has promotional priority:	☐	Yes	☒	No	☐	No applicants with promotional priority.
Selection has veterans preference:	☐	Yes	☐	No	☒	No applicants with Veteran's Preference
Selection has RIF priority:	☐	Yes	☐	No	☒	No applicants with RIF priority
Selection is from Under-Represented Category (EEO)	☐	Yes	☒	No	☐	No applicants from Under Represented Category

Explanation of selection: Provide a detailed explanation (knowledge, skills, abilities and work experience) of why this applicant is the best candidate for this position. If applicable, include salary justification:

Mr. Smith has more directly related experience than any of the other qualified applicants for this position. He previously worked for NCDOT and has 5years and 3months progressive, practical roadway field experience. He has a BSCE and has completed the NCDOT Highway Engineering Concepts (HEC) course. Mr. Smith has completed the following additional courses and certifications which are directly related to the duties of this position: ACI and NCDOT Concrete Field Technician Grade 1, ABC Sampling, Asphalt Conventional Density, PC Concrete Paving, and QMS Roadway Course. Mr. Smith scored exceptionally high on the fundamental math/NCDOT field technician test that was given to all applicants interviewed for this position. With his training and experience, Mr. Smith has the ability to perform the duties of this position without any additional training and would be an asset to this unit.

(Level 1) Approved by:		**Title:**		**Date:**	
(Level 2) Approved by:		**Title:**		**Date:**	
(Level 3) Approved by:		**Title:**		**Date:**	

Note: Attach the completed Candidate Selection Form to the front of the personnel hiring package.

STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY
GOVERNOR

1501 MAIL SERVICE CENTER, RALEIGH, N.C. 27699-1501

LYNDO TIPPETT
SECRETARY

May 27, 2008

MEMORANDUM TO: NCDOT Management

FROM: Roberto Canales, P.E.
                  Transformation Management Team Project Manager

                  Angela Faulk
                  Director of Human Resources

SUBJECT: Streamlining the Approval Process

The Department's Transportation Management Team (TMT) is continuing to identify process improvements to enhance the delivery of our projects, programs, services and initiatives. Over the last few months, the TMT's Talent Management Team has been reviewing NCDOT's current hiring practices to make our hiring processes more efficient.

On October 25, 2007 a memorandum was distributed implementing several process changes relating to hiring practices. One of those process changes was that personnel actions would require no more than three management approvals, including final approval by the Director of Human Resources. However, the approval levels were not specifically defined in the October 25 memorandum.

As recommended by the TMT and approved by the TMT Leadership Team and Director of Human Resources, the approval levels for personnel actions are defined as:

        Approval 1:   Hiring manager or supervisor
        Approval 2:   Next level supervisor
        Approval 3:   Human Resources Director or designee

The hiring manager is defined as the first person who makes the selection decision; this is usually the interviewer. The hiring manager is typically the immediate supervisor or the person who would be responsible for the performance evaluation.

As personnel approval is delegated down within the business unit, the Business Unit Manager has the responsibility of relaying their expectations to managers in their units who will be approving personnel decisions. Business Unit Managers must ensure that all applicable human resource policies and procedures are followed (i.e., Merit Based Hiring Policy). Good judgment must be used when selecting talent and approving all hiring, promotional, classification and salary decisions. Managers responsible for approving these actions must understand they will be held accountable for the decisions they make.

Minimizing the number of reviews and approval signatures for personnel actions will significantly help us reach our goal of reducing the turnaround time of personnel actions.

If you have any questions regarding this procedure, please contact Angie Fanelli in the Human Resources Office at 733-2984.

cc: Lyndo Tippett
         Dan DeVane
         Angie Fanelli

NCDOT Management Distribution:
Deputy Secretaries
Commissioner of DMV
State Highway Administrator
Chief Financial Officer
Chief Information Officer
Chief Engineer - Operations
Director of Strategic Planning
Director of Preconstruction
Director of Asset Management
Director of Field Operations
Division Engineers
Branch Managers
Manager of Program Development
Director of Purchasing
Director of Accounting Operations
Director of Communications
Director of Safety & Loss Control
Director of Ferry Division
Director of Rail Division
Director of Aviation Division
Director of Public Transportation Division
Director of DMV License & Theft Bureau
Director of DMV Operations
Director of DMV Driver & Vehicle Services

STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY
GOVERNOR

1501 MAIL SERVICE CENTER, RALEIGH, N.C. 27699-1501

LYNDO TIPPETT
SECRETARY

May 29, 2008

MEMORANDUM TO: NCDOT Management

FROM: Roberto Canales, P.E.
Transformation Management Team Project Leader

Angela Faulk
Director of Human Resources

SUBJECT: Changes to the Posting, Waiver and Filling of Vacant
Positions Policy

The Department's Transformation Management Team (TMT) is continuing to identify process improvements to enhance the delivery of our projects, programs, services and initiatives. Over the last few months, the TMT Talent Management Team has been reviewing NCDOT's current hiring practices to identify process changes that will help NCDOT hire talent in a more efficient way with emphasis on reducing the turnaround time of personnel actions from posting to final approval.

As recommended by the TMT and approved by the TMT Leadership Team and Director of Human Resources, the Posting, Waiver and Filling of Vacant Positions Policy & Procedures have been revised and updated. Changes include:

- Any vacant position can be posted for a minimum of five workdays. Current practice only allows positions that are posted internally to DOT to be posted for five days. This change in practice enables the hiring manager to decide the most appropriate length of time for the posting based on the needs of the business unit. The hiring manager is responsible for determining the appropriate posting period and whether to post positions internally or externally.

- Faxed and emailed applications can be accepted. If the hiring manager chooses not to accept faxed and/or emailed applications, it should be clearly indicated on the posting. In addition, applications without signatures or check off on the conviction statement can be accepted as long as the hiring manager obtains the necessary information at the interview. Also, if the manager requires the application to be fully completed (i.e., to include signatures and check off of conviction statement), it should be clearly indicated on the posting.

- Postings can be entered directly by the division/unit into BEACON without going through Human Resources. The division/unit will ensure the posting is accurate and meets all necessary requirements. This will speed up the process of getting a position posted.

- The hiring manager is allowed, and encouraged, to include the actual hiring range within the body of the posting (the actual minimum to maximum that can be offered). By doing this, the hiring package will be limited to those applicants who are interested in accepting a position at a salary within the actual hiring range that is realistic for the position.

- In addition to posting a vacant position in BEACON, the hiring manager can utilize alternate posting methods such as newspapers, publications, professional associations, web sites, etc. The Human Resources Recruitment office can offer assistance in the use of alternate posting methods.

These changes to the posting process should help managers hire the best talent and post positions in a more efficient and timely manner. If you have any questions or concerns regarding these procedures, please contact Angie Fanelli in the Human Resources Office at 733-2984.

Attachments

cc: Lyndo Tippett
       Dan DeVane
       Angie Fanelli

NCDOT Management Distribution:

Deputy Secretaries	Branch Managers
Commissioner of DMV	Director of Purchasing
State Highway Administrator	Director of Accounting Operations
Chief Financial Officer	Director of Communications
Chief Information Officer	Director of Safety & Loss Control
Chief Engineer - Operations	Director of Ferry Division
Director of Strategic Planning	Director of Rail Division
Director of Preconstruction	Director of Aviation Division
Director of Asset Management	Director of Public Transportation Division
Director of Field Operations	Director of DMV License & Theft
Division Engineers	Director of DMV Operations
Manager of Program Development	Director of DMV Driver & Vehicle Services

POSTING, WAIVER, AND FILLING OF VACANT POSITIONS
POLICY & PROCEDURES

Each permanent position to be filled must be posted with the exception of approved waivers. Temporary positions are not required to be posted, including positions filled by Model Co-operative Education students and state government interns.

POSTING:

- Positions to be filled shall be posted for a minimum of five workdays. The hiring manager is responsible for determining the appropriate posting period and whether to post positions internally or externally.
- Faxed and emailed applications will be accepted. In addition, applications without signatures or check off on the conviction statement will be accepted as long as the hiring manager obtains the necessary information at the interview. If the hiring manager chooses not to accept faxed and/or emailed applications, it should be indicated on the posting. Also, if the manager requires the application to be fully completed (i.e., to include signatures and check off of conviction statement), it should be indicated on the posting.
- Postings must be entered electronically by the division/unit into BEACON. The division/unit will ensure the posting is accurate and meets all necessary requirements. If Human Resources finds that the requirements have not been met, the unit/division will have to repost the position.
- The hiring manager is encouraged to include the hiring range (the actual minimum to maximum that can be offered) within the body of the posting.
- In addition to posting a vacant position in BEACON, the hiring manager can utilize alternate posting methods such as newspapers, publications, professional associations, web sites, etc. The Human Resources Recruitment office can offer assistance in the use of alternate posting methods.

Time Period for Accepting Applications:

All applications for posted positions must be received within the posting dates.

The Office of State Personnel has agreed that applications received in the **first mail delivery only** of the following day after the closing date can be accepted. This allows any applications in the evening mail of the closing date to be accepted. It should be indicated in the posting if a division/unit will only accept applications received by close of business on the closing date of a posting.

Applications hand delivered the day after the closing date of the posting will not be accepted.

It is the responsibility of the contact person to date stamp when the application is received, prepare a list of all applicants on the Qualification Evaluation System (QES) and forward to the Classification, Compensation and Policy unit. Late applications should be stamped with the date it is received and forwarded to the Classification, Compensation and Policy unit along with the rest of the applications

for the posting. Applications received in the first morning mail after the closing date should be stamped with the closing date.

REPOSTING:

When a position is reposted, all applications from prior postings must be submitted to the Classification, Compensation and Policy unit as a separate part of the applicant package since they have been previously evaluated and entered in the system.

WAIVER:

Waiver of posting may be requested if the following conditions are met. Each waiver must be approved by the Human Resources Director.

a.   The position is filled within 60 days of the beginning posting date of a previously posted position with the same classification.

b.   The position description, knowledge and skill requirements and geographical location is identical to the previously posted position.

c.   The applicant recommended for the waiver of posting did apply and was considered for the previously posted position.

d.   The waiver letter, submitted with a Human Resources Action Form on the recommended applicant, must be submitted within 60 day period and include (1) posting dates of the previous position, (2) the BEACON position number of the previous position; and, (3) the cost center of the previous position.

e.   The waiver should be for an applicant from the designated Most Qualified pool to comply with Merit-Based Hiring procedures.

SELECTION:

Selection of a recommended applicant must be made within 90 days of the ending posting date. If there are extenuating circumstances, an exception may be requested in writing to the Classification, Compensation and Policy Manager; otherwise, the position must be reposted. If the position is reposted, each applicant who applied for the position during the first posting period should be notified by letter of the reposting and informed that they will still be considered.

When a recommended applicant declines a position and it is within 60 days from the beginning posting date, a second choice selection may be made from the same package. However, management should be aware that if there was a RIF applicant in the package and their RIF rights have subsequently expired, they would still have whatever RIF priority they had when they applied for the position.

If an applicant accepts a position and reports to work and resigns within 30 days of the initial appointment, management may request that a second selection be made from the applicant pool.

Hiring Practices Work Group

Talent Management Team

Presentation to Leadership Team
April 22, 2008

- **Work Group Members**
- **Strategic Focus**
- **Scope of Work**
- **Current Gap**
- **Issues Identified**
- **Recommendations**

Work Group Members:

Teresa Pergerson, TMT

Allen Pope, DOH, Division 3, Division Engineer

Kim Pierce, DMV, Personnel Technician

Jimmy Edwards, DMV, Deputy Director of License & Theft

Angie Fanelli, DOT HR, Manager, Classification, Compensation & Policy

Alicia Simmons, NCDOT HR, Personnel Analyst

Kassia Elliott, OSP, HR Partner

Strategic Focus:

Streamline hiring practices to enable NCDOT to onboard the best talent more efficiently.

Scope of Work:

Perform a comprehensive review of current hiring practices to determine areas of improvement.

Current Gap:

- Current hiring processes result in lengthy turnaround times for personnel actions which results in NCDOT not being able to hire the best talent in many situations. This is most prevalent with entry level positions.
- Managers are not given authority to make personnel decisions.
- Personnel processes and procedures are not consistently communicated throughout the organization.

Issues Identified:

Job postings…

- Salary range posted does not represent what can be offered
- Working titles are not included on postings
- Description of work is not explicit
- Preferences not included (certifications, licenses, etc.)
- Limited posting methods

Qualification Review Process…

- Slow turnaround of qualification reviews
- Qualification errors
- Screening process done by multiple people

Interview Process…

- Justification letters redundant with PO 600 (interview record)
- Why do we have to do PO 600's
- No standard interview process/questions/form

Issues Identified (cont'd.):

Approval process:

- Lengthy turn-around time (lose applicants due to waiting on process)
- Too many reviews and approval signatures required

Communication of HR policies and procedures:

- Many policies and procedures are outdated
- Revisions/updates are not communicated

Bonuses:

- No salary increase for lateral transfers (limits mobility)
- No salary incentives for laterals or new hires

Recommendations

Job Postings:

1. Update, revise and distribute the "Posting, Waiver and Filling of Vacant Positions" Policy to include procedures for:

   a. Giving the hiring manager the authority to determine the appropriate posting period and to determine whether to post positions internally or externally.

   b. Accepting faxed applications (must indicate preference on the posting); Accepting email applications (must indicate preference on the posting); Accepting applications without signatures (must indicate preference on the posting); Note: E-recruiting will be a future module of BEACON.

   c. Utilizing alternative posting methods such as newspapers, publications, professional associations, web sites, etc. HR Recruitment Office oversees use of alternate posting methods. Guidelines for utilizing alternate methods of advertising positions needs to be communicated to business units.

2. Include hiring range within the body of the posting (the actual minimum to maximum that can be offered) for all classifications.

3. Once we begin using BEACON to enter postings, include the "position" (working title) and "job" (classification) on the postings. To ensure consistency in the use of "position" titles on postings, it is further recommended we develop a list of "position" titles (to be approved by Human Resources). It is recommended Operations, DMV, Preconstruction etc. be asked to establish "position" titles for their respective areas. Example: TES II is the "job"; District Engineer is the "position".

4. Build a "job postings warehouse" with posting models which may be used by managers for "cutting and pasting" to create new job postings. As a pilot, posting models for Transportation Supervisor positions can be prepared using information recently gathered in the Transportation Supervisor Career Banding program.

5. Develop a training course for writing effective job postings with emphasis on writing the "Knowledge, Skills & Abilities" (KSA's). Include instruction on using preferences and specific job requirements such as certifications, licenses, etc. in the KSA's. Require each Division/Unit personnel technician to attend this training and serve as the resource for reviewing job postings for the division/unit.

6. Develop a more formalized method of qualifying applicants. Today's method is an accumulation of notes since the implementation of merit based hiring. A formalized method of qualifying applicants will become even more important as qualification reviews are pushed down to the divisions/units.

7. Develop one form for indicating applicant selection and justification for selection. This will allow us to:

   a. Eliminate the use of PO 600's. Instruct hiring managers to keep interview notes, tests, etc. with the official package that is sent to Human Resources.

   b. Eliminate additional justification letters for: non-selection of most qualified; promotional priority, veterans preference, RIF applicants, and selection applicants of applicants from an under-represented category (EEO form), and salary justification.

Draft of a selection form is on the next slide.....

DRAFT

SELECTION /JUSTIFICATION FORM

Division/Unit:		
8 digit position number:		
Job (Classification):		
Selected Applicant:		
Selection designated by HR as:	☐ Most Qualified	☐ Qualified
Selection has promotional priority:	☐ Yes	☐ No
Selection has veterans preference:	☐ Yes	☐ No
Selection has RIF priority:	☐ Yes	☐ No
Selection is in Under Represented Category (EEO)	☐ Yes	☐ No

Explanation of selection: (Provide adequate explanation/justification of why the applicant was selected as most qualified for this position. If applicable, include salary justification.)

Recommended by (Interviewer):	Date:
Approved by:	Date:
Approved by:	Date:

Qualification Review, Interview & Selection Process:

8. Develop a list of standard interview questions; develop a list of questions that should not be asked, and develop lists of optional questions for specific job classifications. This would be beneficial for new managers/supervisors as well as a refresher for others.

9. Establish on-line training on NCDOT's Merit Based Hiring Policy and include training on the Merit Based Hiring Policy in the orientation process.

10. Establish metrics for turn-around of personnel actions from posting to the date approval is received.

Communication of HR related procedures:

11. Create a "Managers' Corner" on the Human Resources web site to hold procedures, forms, and tools for easy access by supervisors, particularly new managers/supervisors. (This would include several items mentioned in these recommendations such as the "job postings warehouse", standard interview questions, applicant selection/justification form, etc.)

    (Note: Human Resources is undertaking an initiative to review their policies and procedures. Revisions will be communicated through Distribution A memos and/or through direct contact with the Division Personnel Technicians and Unit Administrative Personnel.)

Bonuses:

12. It is recommended senior management endorse and advocate changes to GS 126-4 as proposed by Fox-Lawson & Associates in their January 2008 report to the General Assembly, to allow incentive pay programs. This would enable the state to use lapsed salary funds to offer incentives such as recruitment bonuses, relocation bonuses, or retention bonuses.

Streamline the Approval Process:

13. Require no more than 3 levels of approval for personnel packages (this is current practice implemented 10/07). Our recommendation is to establish the 3 approval levels as: (1) the hiring manager (the lead interviewer); (2) the next level supervisor and (3) the Human Resources Section. This will require upper management to provide education to lower level management regarding their expectations and desires for certain positions. This recommendation will also require some type of formalized post approval review and feedback.

14. Delegate final HR approval authority to the current DMV Personnel Officer. With the only exception being DMV would not handle classification actions for those positions at the Director level and above or unique/non-comparable positions. It is further recommended that this position report directly to the Director of Human Resources.

Streamline the Approval Process:

15. Three options for consideration:

   a. Delegate final HR approval authority for hiring specific entry level and some lower level positions to the 14 Division Engineers, DMV Commissioner, and the Ferry Division Director. This authority includes qualification review, hiring authority, salary administration and classification. Establish levels of approval as (1)hiring manager; (2) next level supervisor; (3) Division Engineer/DMV Commissioner/ Ferry Director.

   List of classifications (including permanent and temporary positions):
   All classifications PG 59 & below (excluding OA IV & PA IV)
   Vehicle Equipment Repair Technician
   Vehicle Equipment Repair Technician Supervisor
   Transportation Supervisor
   Transportation Worker
   Transportation Technician I & II
   Carpenter II
   Dredge Lever Operator
   Ferry mate
   Ferry Oiler
   Driver's License Examiner
   Law Enforcement Agent

Streamline the Approval Process:

b. Give authority for filling all positions within a highway division to the Division Engineer, with the exception of actions affecting the Assistant Division Engineer, Deputy Division Engineer.

c. Decentralize approval of personnel actions to the 14 Divisions and Ferry Division by placing a Personnel Officer position in each Division. These Personnel Officers would have final approval authority for all personnel actions, salary decisions, compensation issues, classifications, grievances, and policy interpretation in the Division. These positions would report directly to the Director of Human Resources. This recommendation aligns with McKinsey's findings that our HR reps/employees ratio is too low. Other NC agencies such as DHHS are decentralized.

16. If Options 15 A, B, or C are chosen, there would need to be a review of how the recommendation would affect the Division Personnel Technician and the potential for additional personnel support in the Divisions/Ferry Division.

Implementation of any one of these recommendations would decrease the workloads for central HR technicians which would significantly improve the customer service to the central units (resulting in much quicker turn-around on personnel actions).

4/22/08 – Recommendations 1 – 15a approved by TMT Leadership Team

Mission and Goals

NCDOT

OUR MISSION

"Connecting people and places in North Carolina – safely and efficiently, with accountability and environmental sensitivity"

OUR GOALS

- Make our transportation network **safer**
- Make our transportation network move people and goods more **efficiently**
- Make our infrastructure **last longer**
- Make our organization a place that **works well**
- Make our organization a **great place to work**

STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY
GOVERNOR

1501 MAIL SERVICE CENTER, RALEIGH, N.C. 27699-1501

LYNDO TIPPETT
SECRETARY

July 30, 2008

MEMORANDUM TO: Secretary Lyndo Tippett

FROM: Roberto Canales, P.E.
                   Transformation Management Team Project Leader

SUBJECT: Incentive Bonuses

The Department of Transportation has struggled for many years in recruiting and retaining talent, especially in specific disciplines (such as transportation engineering, planning, environmental, etc.). We compete every day with the private sector for the critical talent and expertise we need to deliver our projects, programs and services.

Over the past year, the Transformation Management Team has been working hand-in-hand with our Human Resources Section to implement numerous initiatives to improve the Department's ability to recruit and retain talent. Some of these initiatives include: increasing outreach/recruitment programs, revamping the employee orientation process, placing increased emphasis on employee development opportunities through the new performance management process, implementing strategic workforce planning, and streamlining our hiring practices and approval process to reduce the turn-around time to on-board talent. In addition, we are developing a strategy to bring salaries closer to market for all of our employees. We partnered with the Office of State Personnel to assist us in developing many of these initiatives. Together, we are committed to improving our overall employer value proposition to make us a more attractive employer and to make NCDOT a great place to work so employees will want to choose a career at NCDOT.

One initiative we believe could significantly help the Department in its recruiting and retention efforts is the ability to provide pay incentives such as recruitment bonuses, relocation bonuses, retention bonuses, and moving incentives. On behalf of the TMT and TMT Leadership Team, the purpose of this letter is to respectfully request your support and endorsement of the recommendation of Fox Lawson & Associates in their January 2008 report to the General Assembly to change GS 126-4 to allow state agencies to use lapsed salary funds to offer incentive programs.

In a highly competitive labor market, we must do everything we can to enable our managers to recruit and retain the best talent possible in order to deliver quality services to the citizens of North Carolina.

Attached for your quick reference is a copy of the Executive Summary of Fox Lawson & Associates' "Report on the State of Personnel Management and Career Banding in the State or North Carolina" presented to the Government Performance Audit Committee in January 2008. The recommendation regarding recruitment bonuses and incentives is on page 11. The full report is available for viewing at the following web address: http://www.ncleg.net/gascripts/DocumentSites/browseDocSite.asp?nID=11&sFolderName=\Reports.

Thank you for your leadership and continued support of our transformation initiatives.

RC/tp

Attachment

cc: Dan DeVane, Chief Deputy Secretary
        Susan Coward, Deputy Secretary
        Mark Foster, Chief Financial Officer
        W. F. Rosser, P.E., State Highway Administrator
        W. S. Varnedoe, P.E., Chief Engineer - Operations
        Tom Wright, Director of the Office of State Personnel
        Angela Faulk, Director of NCDOT Human Resources

Talent Management Team

Hiring Practices Work Group

Presentation to Leadership Team
August 7, 2008

Background

McKinsey & Co.

- Human resource management should be a strategic function of the department rather than simply a personnel function.

- Establish human resource initiative (Talent Management Team) with strategic focus of analyzing, developing and implementing methods to improve processes for recruiting, retaining, motivating and developing our workforce.

Key issues identified by Talent Management (relating to hiring practices):

- Excessive layers of review and approval
- Significant delays in on-boarding – lose best talent
- Managers believe they have neither the authority nor flexibility to manage their personnel complements

Implemented "Quick Win"

- October, 2007 - streamlined the personnel approval process by requiring no more than three approval signatures on personnel actions, with one of those approvals being the NCDOT Human Resources Director.

Background (continued)

Hiring Practices Work Group

- Strategic focus of streamlining hiring practices to enable NCDOT to onboard the best talent more efficiently.

Comprehensive review of specific areas

- Job postings
- Qualification review process
- Interview process
- Approval process
- Communication of policies & procedures
- Bonuses/incentives

Recommendations

- Presented to Leadership Team on 4/22/08.
- Several approved recommendations have been implemented

Recommendation

15. a. Delegate final HR approval authority for hiring specific entry level and some lower level positions to the 14 Division Engineers, DMV Commissioner, and the Ferry Division Director. This authority includes qualification review, hiring authority, salary administration and classification. Establish levels of approval as (1)hiring manager; (2) next level supervisor; (3) Division Engineer/DMV Commissioner/ Ferry Director.

   b. Give authority for filling all positions within a highway division to the Division Engineer, with the exception of actions affecting the Assistant Division Engineer, Deputy Division Engineer.

   c. **Decentralize approval of personnel actions to the 14 Divisions and Ferry Division by placing a Personnel Officer II position in each Division. These Personnel Officers would have final approval authority for all personnel actions, salary decisions, compensation issues, classifications, grievances, and policy interpretation in the Division. These positions would report directly to the Director of Human Resources.**

16. If Options 15 a, b, or c are chosen, there would need to be a review of how the recommendation would affect the Division Personnel Technician and the potential for additional personnel support in the Divisions/Ferry Division.

Relative Facts

- 14,600 permanent employees
- 2,500 + temporary positions
- HR staff – 57 employees
- Ratio of 1:270
- Only 40% of HR staff dedicated to classification, compensation, and policy administration
- Over 13,000 transactions processed in 2007
- 77% of transactions generated by 14 Divisions, Ferry Division and DMV

Human Resources' Current Role

- Process, review and approve transactions (new hires, promotions, transfers, demotions, reassignments, reinstatements, salary adjustments, classifications)
- Personnel policy development, interpretation and dissemination
- Develop, implement, and manage career banding and skill based pay programs; answer day-to-day questions regarding programs
- Employee Relations Program
- Employee Orientation Program
- Employee Benefits Program
- TEA Recruitment Program
- EEO Program
- Training & Development

Human Resources' Proposed Role

- Develop, implement talent management strategy, including:
  - Implement NCDOT workforce planning
  - Implement Leadership Planning Process
  - Improve & maintain value proposition
- Develop, implement, manage, monitor:
  - Strategic training program in accordance with Department's identified workforce training needs
  - Statewide employee mentorship programs
  - Career tracks for managerial, technical and administrative functions
  - Employee coaching programs
- Collaborate with SPOT and SMC to address department human resource needs to align with projected workload
- Manage and monitor new results-based performance management system
- Expand recruitment programs (engineering & other), expand outreach

Continued…

- Develop, implement, and manage career banding and skill based pay programs
- Serve as a consultant to business units – policy interpretation, advice, guidance
- Perform periodic audits of NCDOT personnel transactions
- Process, review and approve transactions (new hires, promotions, transfers, demotions, reassignments, reinstatements, salary adjustments, classifications) for central units
- Personnel policy review, development, updates, interpretation
- Employee Relations Program
- Employee Orientation Program
- Employee Benefits Program
- TEA Recruitment Program
- EEO Program
- Training & Development
- and dissemination

Division Personnel Officer – Proposed Role

- Oversight/approval of all division personnel transactions
- Qualification review of positions (except above entry level/lower level)
- Consultant to division management and division employees
- Assist division management in
  - employee relations issues/investigations
  - EEO/affirmative action complaints/investigations
  - Recruitment
- Administer new, innovative programs
  - Mentoring
  - Coaching
  - Career tracks
  - Results-based performance management
  - Workforce planning
- Policy interpretation, guidance, advice
- Dissemination/communication of personnel policies & procedures
- Answer day-to-day questions regarding career banding and skill based pay programs
- Employee training

Reporting Relationship of Division Personnel Officer

- DPO would report to the Human Resources Director

- DPO would work one-on-one on a daily basis with the Division Engineer and other division management

- Division Engineer would provide daily direction on human resource priorities of the DPO in accordance with division needs

- OSP will not permit delegation of authority beyond DPO (HR professional at specific level)

- Ensures statewide consistency in application of personnel policies and procedures

- DPO would serve as an "objective" staff member to the Division management.

Benefits to Divisions

- Empowers divisions to manage their individual personnel complements with less intervention from central HR or central leadership. (GS 136-14.2 provides authority to DE over all divisional personnel matters.

- Applicant selection/approval is responsibility of the division engineer. HR approval ensures policy compliance (objective check point/validation).

- Can significantly expedite hiring process from beginning to end in divisions. (eliminates back & forth submittals to Raleigh)

- Final approvals could be given on same-day as requested.

- Division will not have to compete for HR services with other business units according to priorities of other business units.

- On-site HR professional to provide guidance, policy interpretation, policy research, etc. on a daily basis – accessible and readily available,

- On-site HR professional to help division identify bottlenecks to personnel process and recommend and implement improvements.

Benefits to Human Resources

- Significantly reduces the workload for HR staff
- Significant reduction in turnaround time for processing, review and approve of personnel transactions for central business units
- Ability to dedicate staff to analyzing, developing and implementing the strategic human resource functions previously outlined.
- Enables HR to move from transactional role to consulting role and providing managerial support in various human resource areas.
- Enables HR to move from transactional role to providing quality assurance (auditing of transactions)

How does DPO affect role of the Division Personnel Technician?

- PT will continue to report to Division Engineer and work at the direction of the Division Engineer

- PT will continue to work with division management and division administrative staff to ensure personnel transactions are processed in timely, accurate manner

- PT will be responsible for screening applicants (qualification review), salary adjustments, and classification requests for entry level and other specified lower level positions (recommendation 15a)

- PT may assist DPO in screening, salary adjustments, classification requests for all other positions as needed

- Address scope change with in-range adjustment (recommendation 16)

Summary

- Common focus of all TM work streams:

- Develop and implement strategies and procedures to recruit, retain, motivate and develop employees.

- Consulted with OSP and NCDOT HR on how best to improve/streamline our hiring processes

- Transform from "business as usual" to strategic, more efficient human resource management

- Can't be done right without additional HR staff/time

- Responding to management's desire - manage their personnel complements – give them flexibility with accountability.

- All the TM recommendations will work together to accomplish our goal of making NCDOT a place that works well and a great place to work

CHALLENGES/CONCERNS

- Cost for establishing/filling 15 positions
  - Establish at minimum (PG 74) = $44,670
  - Fill at 10% above minimum = $737,220
  - Perception
- Where will the 15 positions come from?
- Based on past experience, will political influence affect filling the DPO positions?
- Will the actions/decisions of the DPO positions be influenced politically?
- Will these positions be "caught in the middle" of division decision versus HR decision?
- Will the position support division management or HR?

Options

- Approve and proceed with establishing 15 DPO's - set deadline for implementation

- Implement in two to three divisions

- Wait to see the affects of implementing recommendation 15a; and allow time to see how the other TMT recommendations may affect HR's workload

- Increase central HR staff to reduce turnaround time for personnel actions that come to Raleigh and to handle additional talent management functions

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- Make our organization a great place to work

DECENTRALIZATION OF

THE HIRING PROCESS

Prepared for the Leadership Team

Presented by the

Hiring Practices Work Group

August 7, 2008

DECENTRALIZATION OF THE HIRING PROCESS

Table of Contents:

A. Recommendation:

On April 22, 2008, the Hiring Practices Work Group made a recommendation to the Leadership Team that the Department decentralize the processing, review and approval of personnel actions to the 14 Highway Divisions and Ferry Division with the placement of a Personnel Officer II position (pay grade 74) in each division (a total of 15 positions).

At the April 22 meeting, the Leadership Team requested additional information supporting the recommendation, further explanation of the benefits if implemented, and details of the duties of the proposed Personnel Officer position and its working/reporting relationship. The intent of this document is to provide the requested information for further consideration by the Leadership Team in making a final decision.

B. Background Information:

Through the 2007 diagnostic performed by McKinsey & Company, NCDOT was able to gain a better understanding of the Department's strengths and weaknesses. One of the five initiatives of focus identified by McKinsey was human resource improvement. McKinsey advised that NCDOT should view human resource management more as a strategic planning function than simply a personnel function of the Department.

The Talent Management Team was directed to focus on analyzing, developing, and implementing methods and processes to improve the Department's ability to recruit, retain, motivate and develop our workforce. The Talent Management Team held six focus groups with NCDOT employees across the Department and over 20, one-on-one interviews with a diverse range of lower, middle and high level managers. Employees repeatedly stated that NCDOT had excessive layers of review and approval of personnel actions resulting in significant delays in the on-boarding process. Managers clearly indicated they believe they are capable of managing their personnel complement but feel they have neither the authority nor flexibility to do so.

In October, 2007, a TMT recommendation was implemented to streamline the personnel approval process by requiring no more than three approval signatures on personnel actions, with one of those approvals being the NCDOT Human Resources Director. Establishment of the other two approval levels was left to the discretion of the various Division Directors. This measure was a critical "first step" in reducing the turnaround time for processing personnel actions and was well received by managers.

The Hiring Practices Work Group was established and charged with reviewing all of NCDOT's hiring practices and recommending measures to improve the Department's ability to on-board talent in a timelier, efficient manner. On April 22, 2008, the Hiring Practices Work Group presented 16 recommendations to the TMT Leadership Team. Most of these recommendations were approved and several have been implemented, including: revising the posting policy, eliminating the PO-

600 form (interview sheet) and eliminating duplicate justification letters, and further streamlining the approval process by delegating first and second level approval down to the hiring manager and next level supervisor respectively. In addition, the Human Resources Director has delegated HR approval authority to several key managers within that section.

One of the approved recommendations which the work group is aggressively working to implement by September 30, 2008 is delegation of the third level of approval (Human Resources approval) to the Division Engineers, DMV Commissioner, and Ferry Division Director for <u>specific entry level and other lower level positions</u>. This will allow these positions to be approved at the Division level without approval by the Human Resources Director. Personnel actions for these specified positions will no longer be directed to central HR for processing, review and approval.

To further improve the efficiency of personnel position management, on the Hiring Practices work group recommends that the Department decentralize the processing, review and approval of all division position actions to the 14 Divisions and Ferry Division as stated in Section A.

C.   **Relative Facts:**

The following factual information should be considered by the Leadership Team when making a decision on this recommendation:

- NCDOT has over 14,600 permanent positions and 2,500+ temporary positions. (Appendix: Table 1, page 9)
- The Human Resources Office has 57 centrally staffed HR professional positions - a ratio of 1:270 employees. (Appendix: Table 2, page 9)
- Only 40% of HR professional positions are dedicated to classification, compensation, and policy administration. (Appendix: Table 3, page 10)
- In 2007, the Human Resources Section processed approximately 13,000 personnel transactions including new hires, promotions, reclassifications, in-range salary adjustments, reinstatements, reassignments, demotions, horizontal transfers, name changes, separations.
- Of the 13,000 personnel transactions, approximately 77% were actions generated by Divisions 1-14, Ferry Division, and DMV. (Appendix: Table 4, page 10)

D.   **Current and Proposed Role of Human Resources:**

One of the main issues that must be closely considered is the current and proposed role of NCDOT's Human Resources Section. As mentioned previously, McKinsey & Company indicated that NCDOT should view our human resources management as a talent strategy function rather than simply a personnel function.

The services provided by the Human Resources Section are critical to NCDOT's daily operations. All departments currently depend totally on HR for final approval and processing of actions affecting hiring, promotion, demotion, reassignment,

reinstatement, salary adjustment, and classification of employees and positions. Human Resources staff also provides policy dissemination and interpretation, as well as professional guidance on dealing with a multitude of personnel issues (such as disciplinary actions, grievances, equity issues, career banding, skill based pay, EEO, employee benefits, recruitment, training, BEACON, etc). These are all critical functions. By necessity, the majority of their effort and manpower is spent processing transactions. In our desire to be a 21st century DOT, we must begin to look at the role of our Human Resources Section in a different way. We must seriously consider the changing the role and expanding the objectives of our current Human Resources Section.

Many of the programs the TMT Talent Management Team is working on analyzing, developing and implementing are programs that will be owned by the Human Resources Section. These include:

- Implementation of NCDOT workforce planning tool
- Implementation and management of leadership planning process
- Improving and maintaining NCDOT's value proposition
- Implementation and monitoring of the new results based performance management process with emphasis on employee development
- Development and implementation of a more strategic training program that will also align with the new employee development opportunities identified in the performance management process
- Implementation and ownership of departmental mentorship programs
- Expansion of current recruitment programs and recruitment efforts
- Development and maintenance of career tracks for managerial, technical and administrative functions
- Development and implementation of a program to provide employee coaches
- Collaboration with the Strategic Planning Office and the Strategic Management Committee
- Periodic review of hiring practices
- Periodic review, update and dissemination of personnel policies and procedures

Lack of resources in the Human Resources makes strategic talent planning and swift delivery of core HR services difficult, if not impossible.

The Human Resources staff is currently working on a restructuring plan to better align current duties and to plan for the additional duties they will be gaining as a result of the transformation, and as approved by the Leadership Team, a new Talent Management Strategist position will soon be posted. These are critical steps to the Human Resources Section's transformation to a strategic service provider. The division personnel officer would be the "conduit" to central HR for implementation and oversight of the new talent management initiatives to all non-centrally located employees.

E. Proposed Role of Division Personnel Officer:

The duties of the proposed Personnel Officer II position include:

- Providing oversight and approval of personnel transactions including: classification (except director level and those that we do not have authority for), qualification, salary determination, and hiring
- Providing consultation to division director and staff regarding classification, compensation, and policy
- Assisting the EEO office with investigations, complaints, recruitment, and affirmative action
- Working with employee relations representatives to provide employee relations assistance to division management
- Administering new innovative programs (as recommended by TMT) including: mentoring, EVP, career tracks, and the new performance management process (PDA)
- Answering day-to-day policy questions regarding career banding, oversee assessment process within division, and train employees and supervisors on career-banding and other alternative based pay programs
- Train division personnel on updated and new HR policies/procedures Identify workforce planning trends and make recommendations to division director and Talent Management section
- Identify recruitment strategies for targeted positions within division and work with Talent Management Section to carry out
- Administration of Wellness Program within the division

The Division of Motor Vehicles currently has an established Personnel Officer II position. However, prior to a recommendation of the TMT Hiring Practices Work Group, the DMV Personnel Officer II position did not have delegated approval authority for hiring. As recommended by the TMT and approved by the Leadership Team on April 22, 2008, the Human Resources Office is currently working with the DMV Commissioner's office to implement delegated approval authority to the DMV Personnel Officer. As recommended by the work group and approved by the Leadership Team, the DMV Personnel Officer will report directly to the Human Resources Director rather than the DMV Commissioner. However, this position will continue to work one-on-one with the DMV Commissioner and other DMV management to provide the daily personnel related needs of the Division of Motor Vehicles.

It is recommended the Division Personnel Officers report directly to the Director of Human Resources for the following reasons:

- The Office of State Personnel will not permit the NCDOT Human Resources Director to delegate final personnel approval authority to the divisions for all positions (only the entry level/lower level positions as previously approved).
- Will ensure statewide consistency in application of personnel policies and procedures.
- Will serve as an "objective" resource for Division management.

Although the position would report directly to the Director of Human Resources, the Personnel Officer would work one-on-one on a daily basis with the Division Director and other division management. The Division Director would provide the daily direction on the priorities of the Personnel Officer.

F. **How will the establishment of this position affect the existing Division Personnel Technician position?**

The Division Personnel Technician is a pay grade 66 and will continue to report directly to the Division director. The Personnel Technician will continue to work with Division Director, division management, and division employees to ensure personnel actions are processed and personnel issues are addressed in a timely and accurate manner. It is anticipated the Personnel Technician will at times work **with** the Personnel Officer to provide the division's human resource needs. However, the role of the Division personnel Technician will not be adversely impacted by decentralization of human resource functions.

As a result of TMT's separate recommendation to delegate hiring authority to the Divisions for specific entry and lower level positions, the Personnel Technician's scope of work is expected to increase in that this position will be responsible for screening applicants for these specific positions and designating them as most qualified, qualified, or not qualified.   In addition, the Personnel Technician will handle classification issues for these entry level, lower level positions. In order to recognize and address this change in work scope, the Hiring Practices Work Group recommends that leadership consider requesting an in-range adjustment for each of the Division Personnel Technicians (including the Ferry Division).

G. **Benefits of Decentralization to Human Resources Section:**

As recommended by McKinsey, NCDOT Human Resources must convert to a more strategic role in developing, implementing and monitoring programs. HR objectives should be aimed at ensuring our Department has the human resource needs available to carry out our programs, projects and services to align with our new mission and goals. In order to do this, central HR's current role in the area of processing personnel actions must change to more of an auditing and policy compliance role. The benefits of decentralizing personnel functions include:

- Significantly reducing the workload of current staff dedicated to processing, review and approval of personnel transactions. Staff will continue to process, review and approve personnel transactions for central business units.
- Ability to dedicate resources to analyzing, developing and implementing the strategic human resource functions outlined above.
- Ability to move towards a consulting role and providing managerial support in various human resource areas.
- Ability to provide quality assurance by dedicating efforts to auditing and policy compliance.

H.   <u>**Benefits of Decentralization to the Divisions:**</u>

Applicant selection is the responsibility of the division. General statute 136-14.2 states that "Except for general departmental policy applicable to all of the State, the division engineer shall have authority over all divisional personnel matters and over Department employees in his division making personnel decisions." Human Resource approval is required but the purpose is not to select the candidate, rather it provides a final, objective "check point" or validation to ensure a high degree of accuracy and to ensure each action complies with all relevant personnel policies and procedures, especially as relates to the merit based hiring policy. Having on-site HR approval provides the check point at the Division level versus central Raleigh and expedites the process by eliminating unnecessary reviews and delays in the process.

Other potential benefits include:

- Significant reduction in the number of days of the hiring process for division actions from posting to approval as well as expeditious approval of other personnel transactions (salary adjustments, etc.).
- Over 75% of the personnel actions currently being processed through central HR will be processed from beginning to end in the divisions; therefore, there would be a significant improvement in turnaround time for personnel actions processed by HR for the central units.
- Each division would have a trained human resources professional to assist in the implementation of the strategic human resource initiatives as outlined previously.
- Each division would have a person on-site to provide oversight and guidance in personnel related functions on a daily basis.
- Each division would have an HR professional that is continuously accessible and readily available to work one-on-one with division management to meet the needs of the division to ensure they have the workforce available to meet the goals of the Department.
- Final HR approval of personnel transactions could be given on the same day the request is made, especially valuable to the Division Manager when trying meeting an urgent need.
- The Division would not have to compete for services according to the priorities of other divisions and business units.
- On-site HR professional would help division manager identify and address bottlenecks to the hiring process within the division in order to further expedite and improve the internal process.

I.   <u>**Summary:**</u>

All of the initiatives and work streams of the Talent Management Team have one common focus: develop and implement strategies and procedures to recruit, retain, motivate and develop our employees. Individually, the recommendations that resulted from the various work streams will not achieve this goal. However, together all of the recommendations can significantly impact the way we currently do business.

The Hiring Process Work Group has examined all of the Department's hiring processes, reviewed relative OSP policies, reviewed pertinent general statutes, reviewed information gleaned from the one-on-one interviews and focus groups, and reviewed and discussed the recommendations of the other Talent Management work streams. OSP and NCDOT Human Resources staff participated in each talent management work stream, including the Hiring Practices Work Group. Our group consulted with the Director of Human Resources and the Director of the Office of State Personnel as needed and kept them informed of our discussions and recommendations and took their input into consideration when developing our recommendations.

As previously explained, several of the recommendations of the Hiring Practices Work Group have been implemented and others are being worked on for implementation in the near future. These recommendations will have a positive impact on the time it takes to on-board talent and have already begun to make the process more efficient. Delegating hiring approval authority of entry level and other lower level positions to the divisions will improve the turnaround time in the divisions and will also improve the turnaround of central Raleigh-based personnel actions. This is truly a significant improvement. But alone, this does not totally address the personnel needs of the divisions nor does it address the need for the central Human Resources Office to redirect its focus to a more strategic talent planning function.

Considering NCDOT's desire to transform from "business as usual" to a more strategic organization, the Hiring Practices Work Group believes that decentralizing HR functions by establishing the 15 personnel officer positions could have a positive impact in achieving DOT's goal of providing a place that works well by improving our ability to recruit, retain, motivate and develop our employees.

APPENDIX

TABLE 1:

Breakdown of Total Positions in NCDOT as of July 1, 2008:

Section	Permanent	Temporary
Divisions 1 -14	8,850	1,954
Other Field Operations	220	43
Ferry Division	489	126
Division of Motor Vehicles	1,623	46
Rail Division	44	6
Aviation Division	24	4
Public Transportation Division	28	0
Asset Management Units	431	42
Preconstruction Branch/Units	1,883	234
Financial Management Division	228	8
Information Technology Division	378	21
Other (Secretary's Office, Chief's Office, Admin. Office, and other centrally located sections not included above)	485	34
Total Positions	**14,683**	**2,518**

TABLE 2:

Breakdown of Human Resources Staff by Classification:

Classification	Number of Positions
HR Director III	1
Personnel Supervisor I	4
Personnel Analyst III	5
Personnel Analyst II	16
Personnel Analyst I	3
Personnel Technician III	4
Personnel Technician II	8
Personnel Technician I	2
Personnel Assistant V	3
Administrative Officer II	1
Personnel Assistant IV	1
Staff Development Specialist III	6
Multimedia Designer	1
TV/Producer Director III	1
TV/Media Services Coordinator	1
Total	**57**

TABLE 3:

Breakdown of Human Resources Staff by Section:

Section	Number of Positions
Classification Compensation & Policy	25
EEO	3
Employee Relations	12
Training & Development	14
Recruitment	3
Total	**57**

TABLE 4:

Total Personnel Transactions Processed by Human Resources in 2007:

Section	Total No. of Transactions	% of Total Actions Processed
Divisions 1 -14	8,200	63%
Ferry Division	500	4%
Division of Motor Vehicles	1,300	10%
Other	3,000	23%
Total	**13,000**	**100%**

NCDOT HUMAN RESOURCES
CANDIDATE SELECTION FORM

Date:	
Division/Unit:	
8 digit position number:	
Job (Classification):	
Position (Working Title):	
Selected candidate:	

Selection is designated by HR as:	☐	Most Qualified	☐	Qualified	☐	Trainee
Selection has promotional priority:	☐	Yes	☐	No	☐	No applicants with promotional priority.
Selection has veterans preference:	☐	Yes	☐	No	☐	No applicants with Veteran's Preference
Selection has RIF priority:	☐	Yes	☐	No	☐	No applicants with RIF priority
Selection is from Under-Represented Category (EEO)	☐	Yes	☐	No	☐	No applicants from Under Represented Category

Explanation of selection: Provide a detailed explanation (knowledge, skills, abilities and work experience) of why this applicant is the best candidate for this position.

(Level 1) Approved by:		**Title:**		**Date:**	
(Level 2) Approved by:		**Title:**		**Date:**	
(Level 3) Approved by:		**Title:**		**Date:**	

Note: Attach the completed Candidate Selection Form to the front of the personnel hiring package.

July 8, 2008